GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5455
ANSWERED ON:22.12.2000
IMPACT OF PRIVATISATION ON ECONOMY
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Will the Minister of FINANCE be pleased to state:

(a): Whether the privatisation impact on the ongoing process of privatization and converging Government`s role from the controller to a contributor under the changed economic worked has not been given any impact on our economy ; and

(b) : If so , the main reasons therefor ; and

(c) : The time by which impact of privatisation is likely to be felt on our economy ?

Answer

Minister of State in the Ministry of Finance (SHRI BALASAHEB VIKHE PATIL)

(a) , (b) and (c) : Ongoing economic reforms attach special importance to the process of disinvestment and privatization. In order to give a fresh impetus to the programme and to establish a systematic policy approach to disinvestment and privatisation, a new Department of Disinvestment has recently been established by the Government , which willemphasise on strategic sales of identified PSUs. The Budget for 2000-01 has further announced that the Government equity in all non-strategic PSUs will be reduced to 26% or less and the interests of the workers will be fully protected. The entire receipt from disinvestment and privatisation will be used for meeting expenditure in social sectors, restructuring of PSUs and retiring public debt.